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While Essex County's pre-disaster economy was moderately healthy, its unemployment rate was higher than the State of New Jersey average and projected economic growth is expected to lag behind the rest of the State. Hurricane Floyd did not destroy any Essex County businesses but 310 received major damage, 305 received minor damage, and 375 were affected. Business-related damage in Essex County was estimated at \$4.5 million and was widespread throughout the county. Essex County is not expected to experience short- or long-term effects from Hurricane Floyd.

8.1 Pre-Disaster Conditions

Essex County's pre-disaster economy can be characterized as moderately healthy, based upon available employment and income data. Average 1998 unemployment for the county was 5.6 percent, which is more than the State's 4.6 percent figure. Per capita income in Essex County was \$32,581 in 1997. Like the rest of New Jersey, Essex County is undergoing a transition from a manufacturing-based economy to a service-based economy. However, economic growth in the county is expected to lag behind the rest of the State because of high unemployment rates in Newark, East Orange, and Irvington.

Essex County's economy is dominated by the service sector, based on the number of employed individuals (see Table 8-1). This category comprises 38 percent of the county's industrial base. Manufacturing, transportation and public utilities, FIRE, and retail trade account for 14 percent, 13 percent, 12 percent, and 12 percent, respectively. From 1996 to 2006, employment in the service and transportation and utilities sectors is expected to increase substantially at annual rates of 1.6 percent. Employment in manufacturing is expected to decrease at an annual rate of 1.6 percent.

8.2 Post-Disaster Conditions

Hurricane Floyd did not destroy any businesses in Essex County, but 310 businesses received major damage, 305 businesses received minor damage, and 375 businesses were affected. Total business losses were approximately \$4.5 million. Communities with severe damage to

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businesses included Millburn, Livingston, Belleville, Fairfield, and Nutley. As of November 1, 1999, 303 Essex County businesses had teleregistered with FEMA. As of January 13, 2000, 28 businesses in Essex County were approved for physical loans with SBA. The total value of these loans was \$1.4 million. The SBA approved economic injury loans of \$539,000 for 21 businesses.

Table 8-1 Primary Industries in Essex County (1996)

Sector	Number of Establishments	Number Employed
Agriculture, Forestry, and Fishing	225	642
Mining	1	< 20
Construction	1,346	8,278
Manufacturing	1,250	45,324
Transportation & Public Utilities	855	42,374
Wholesale Trade	1,696	27,565
Retail Trade	4,110	38,528
FIRE	2,096	39,407
Services	7,824	123,925
Unclassified	84	< 250
Total	19,487	326,172

Source: U.S. Bureau of the Census

8.3 Conclusions

Approximately 990 businesses in Essex County were affected by Hurricane Floyd and heavy damage to businesses was reported in several communities. Although some areas of the county experienced severe damage and their local economies will likely fluctuate while they recover, these effects will be diminished at the county level. In the short-term, Essex County may experience minimal effects from the strain from damaged businesses and an economic boost from rebuilding. However, in the long-term this event will have little economic impact on the county. Municipalities should consider implementing appropriate recommendations described in Section 3.4.